

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:833

ANSWERED ON:21.02.2003

PAYMENT OF SALARY BY COMPANIES IN FOREIGN EXCHANGE

ALE NARENDRA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the attention of the Government has been drawn towards the news item under the captioned "kai companiya ney vetan ka bhugtan desh key bahar videshi mudra main kiya" published in 'Dainik Hindustan' dated 01.02.2003;

(b) if so, the details thereof;

(c) the names of the companies involved therein; and

(d) the corrective measures proposed to be taken by the government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS(SHRI GINGEE N. RAMACHANDRAN)

(a) & (b) Yes, Sir. After investigation under the provisions of the Foreign Exchange Regulation Act (FERA), 1973 eighteen multinational companies were found to have paid salaries/ perquisites abroad to their employees (foreign nationals) working in India, without obtaining the necessary permission of the Reserve Bank of India.

(c) The names of the eighteen companies involved in the matter are given in the Annexure to this reply.

(d) Action under the provisions of the FERA, 1973 has been taken by the Directorate of Enforcement and adjudication - proceedings have been initiated accordingly.

ANNEXURE

Names of Multi-National Companies to which Show Cause Notice (s) have been issued under the provisions of the Foreign Exchange Regulation Act, 1973

S.NO.NAME OF MULTI-NATIONAL COMPANIES AMOUNT INVOLVED

(RS. IN LAKHS)

1 M/s. Japan Airlines, New Delhi	103.47
2 M/s. Hyundai Motor (I) Ltd., New Delhi	804.50
3 M/s. Samsung Corporation, New Delhi	2403.93
4 M/s. Merubeni (I) Pvt. Ltd., New Delhi	983.72
5 M/s. Bank of Tokyo Mitsubishi Ltd. New Delhi	2043.19
6 M/s. Motorola (I) Ltd., Gurgaon	557.67

7 M/s. Mitsubishi Corporation, New Delhi	2052.92
8 M/s. Sanwa Bank Ltd. (UFJ Bank Ltd.), Delhi	260.04
9 M/s. Bank of Nova Scotia, New Delhi	42.31
10 M/s. LG Electronics, New Delhi	80.63
11 M/s. Sony (I) Ltd., New Delhi	J. YEN - 574963183
12 M/s. Deutsche Bank, New Delhi	1343.42
13 M/s. Sakura Bank, New Delhi	J. YEN - 40978509
14 M/s. All Nippon Airways, New Delhi	147.33
15 M/s. Nokia Telecommunications, New Delhi	1086.02
16 M/s. Ericsson (I) Pvt. Ltd., New Delhi	3546.05
17 M/s. Daewoo Motors, New Delhi	266.68
18 M/s. Fuji Bank Ltd., New Delhi	280.88